10 Money moves

Part 1

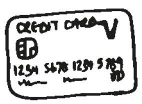
Finessing your finances
How to budget

By Natalie

Taking care of your finances is a big part of growing up and showing out. Financial independence is the key to living your best life.

Handling your money correctly will take away a lot of the anxiety and stress caused by not having enough. We focus a lot on *getting* money. However, I know from personal experience that you can make all the money you can imagine, but if you have more money leaving your bank account than you have coming in, or if you don't save, then you will soon find yourself in a **bad situation.**

When I was younger, I had to rely on the set amount of money my parents gave me each week. I had to make sure my lunch money stretched Monday to Friday, and that my pocket money lasted for the whole weekend. I thought my dad was being mean at the time, but actually he was trying to teach me to treat money with respect, and show me that I would need to work to get the things I really wanted. I used to see my friends spending money on clothes, hair and going to Nando's, and I thought that if I just earned my own money, I could buy everything I wanted. So, I got a weekend job. I thought things would get easier as soon as I started working, but having more money didn't solve my problems. As I got the money, I spent it – and I ended up broke waiting for my next pay cheque. I soon learnt that if I wanted something, I needed to **put in that work** to get it for myself.



You may think you are too young to start learning about how to look after money because your parents are taking care of you and you don't have a job or any bills yet. But TRUST ME, **managing money is a key life skill**. So many of the financial mistakes I made in the past were because I didn't know any better. Learning how to look after your finances is a major part of self-care. Educating yourself about money and how to use it is just as important as getting the best grades or looking after your mental health.

Now, I don't want you to be obsessed or uptight about money, but I also don't want you to be stressed or suffer with anxiety because you don't have enough. You should never be ashamed about not having enough money or have to worry about it. So, in this chapter Mel and I are here to show you how to make the best out of what you have, and how to start planning ahead so that you don't have to go without.

Budget over everything

If you don't want to be in a position where you are constantly overspending or spending money on the wrong things, you need a BUDGET.

I don't remember ever thinking about setting a budget when I first started working. I just spent the money and expected more to follow because I knew I was going to work the next week. I kept up with this way into my early adult life. I wasted a lot of money, ran up more **debts** and **bills** than I needed to, all because I didn't organise my finances properly. Every time I ran into a financial issue, I just thought about how I could make more money to fix it. Instead of grinding, what I really needed to learn was **how to say no** to going out with friends or buying clothes or make-up, especially when I had other important things to pay for.

I'm going to give you a quick step-by-step of how to write a budget. I've also created template for you to fill in. One type of budget isn't going to work for everyone – and at different points in your life your budget will change – but hopefully this will help you get started. So, let's get into it.

1 How much money do you have? AKA cash is QUEEN

Is your budget based on money given to you by your parents? Is it money from your weekend job or from you providing a service (for example, doing someone's hair)? Or is it a one-off amount, like a birthday present? Will you get the same amount again next week or next month or next year?

Write that amount of money at the top of your budget.

If your money is predictable (for example, if you get paid every month) it makes sense to have a budget that is fixed on a period of time. However, if your money is more random it might be better to write a simple budget each time you get a sum of money so that you can plan what you want to spend it on and **don't waste it.** For example, you could have a budget setting out how you are going to spend your birthday money.

You might also want to have a **budget** if you are given money to spend on a school trip or on a holiday. If you want to work out how much money you should be spending in a day when you are on holiday, divide your holiday money by the number of days you are away. For example, if you have £200 and you're away for four days, that gives you £50 to spend each day. You don't have to spend all of your daily allowance though – if you have anything left over you can always bring it home and use that money for something else.

2 What do you need to spend your money on? AKA bills, bills, bills

You need to have a real understanding of what you actually need to spend your money on if you want your budget to work. These are called your **expenses.** If you don't include these in your budget, you will fall short on money faster than you expected. The best budgets include as many of your expenses as possible. So, write a list of everything you might need to spend money on in a month. This could include money for the school bus, food, books or even essential items, such as beauty products.

Work out the total amount of money needed for your expenses and put that in your budget.

Remember, your budget should be realistic. If you know that you usually spend £5 a day on lunch, don't budget for £3 a day. If you need to make cuts that is fine, but always make sure these cuts are sensible. If you cut back too much, you will end up overspending and be back at square one!

3 How much money is left over? AKA extra credit

CASH IS QUEEN – BILLS BILLS BILLS = EXTRA CREDIT

What figure are you left with? Is it positive or negative? This is the amount of money you have left over for the next two steps.

4 Savings AKA racks on racks

Regularly saving money is one of the best habits you can develop. You never know what's coming around the corner so it's always good to have money set aside for your future. You don't have to be saving for something big, such as a holiday or a designer handbag, it's best just to have a pot of money that you can rely on for **unexpected costs.**

You should try and take savings out of your spending money as soon as you can. This ensures you are building up your pot every time you get some cash. It doesn't have to be a lot – it could be something as small as £1. If you stay consistent, putting aside small amounts on a regular basis, it will make a BIG difference after a while.

You never know when it will come in handy. You might decide at the last minute to take a year out after school and travel – your savings could cover your flights or accommodation. You could use it to start your own business, or put it towards your living expenses if you move out for uni. It could go towards your first car or even your first home. The point is, having that money gives you choices and freedom to do things you wouldn't be able to without it.

5 What do you want to spend your money on? AKA treat yourself

Now, write a list of things you would like to spend your money on – for example, going out with your friends or buying anything you want.

Add these things to your budget.

Budget template

Now, try following these steps using the template below. I'd suggest starting with a monthly budget, then you can work up to a yearly- or longer-term budget when you're ready.

.... 'S BUDGET
DATE: ....

Step 1: CASH IS QUEEN (money in):

Before you make a start, it's good to look at where you are now, so that you know what progress you need to make. It is also nice to look back and see how much progress you have already made.

JOB: £ ....
ALLOWANCE: £ ....
ONE-OFF AMOUNTS: £ ....
TOTAL IN: £ ....

Step 2: BILLS, BILLS, BILLS (important expenses):

1. ....
2. ....
3. ....
4. ....

TOTAL EXPENSES: £ ....

Step 3: EXTRA CREDIT (money left over)

CASH IS QUEEN – BILLS BILLS BILLS
= EXTRA CREDIT: £ ....

Step 4: SAVINGS

MONEY TO ADD TO LONG-TERM SAVINGS: £ ....
MONEY TO ADD TO SHORT-TERM SAVINGS : £ ....
THINGS YOU ARE SAVING FOR IN THE SHORT TERM (FOR EXAMPLE, HOLIDAY MONEY): ....
EXTRA CREDIT – SAVINGS = SPENDING MONEY: £ ....

Step 5: SPENDING MONEY (what you want to spend your money on now): (Tip: Make sure you include the cost of each thing.)

1. ....
2. ....
3. ....
4. ....

MONEY LEFT OVER (IF ANY): £ ....

Now you have written a budget, you know how much you have to spend for a certain amount of time. You also know what your most important expenses are. By budgeting, you may realise that you can't afford to get everything at once, and might need to put some money aside so that you can buy those extras later. Ultimately, if you don't have the money for it, don't spend it. Don't get sucked in to going out or buying expensive things you can't afford because everyone else around you is doing the same – there's rice at home and there's always next time.

Part 2

Know your worth
Financial literacy

By Melissa

Cardi B talking about 'making money moves' isn't just a hot line in an even hotter song. Making money moves, or smart and informed financial decisions, will not only assist you with Securing the Bag, but will also go a long way to helping you secure the future that you want. You may feel like you're too young to make serious financial choices – but with things coming up such as starting university or an apprenticeship, taking a gap year or even getting your first job, you are at a critical point in your life, and it makes sense to get a head start. Part of that is taking the time to gain a good understanding of financial terms and processes so you have a **strong foundation** of knowledge for the future.

'If you're going to play the game properly, you'd better know every rule.'
Barbara Jordan [1]

While it isn't widely taught in schools, financial literacy is as vital as learning to read and write. Understanding the way money works allows you to effectively navigate life and avoid traps – such as soaring debt, high interest rates, banking fraud and a crippling overdraft. Just like having good grades or learning something new, working on your financial literacy is a beneficial and achievable way of ensuring that you develop a **toolkit of skills** that will help you on your journey to becoming grown.

Throughout this book you will have noticed that Natalie and I put a big emphasis on determining your own destiny. There is a strength and power that develops when you're able to use your skills, passions and the help of others to take control of your life choices. Understanding how money works is a big part of that.

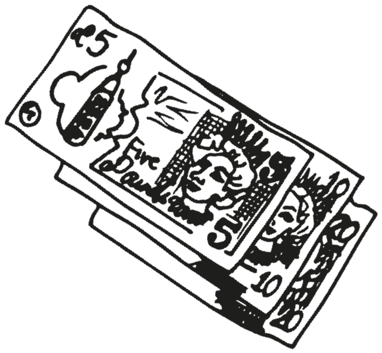
'I have a passion for music, I love music. But I also have a passion for money and paying my bills.'
Cardi B [2]

No one is born knowing how to handle money – it's something that is passed down by elders, and learned through experience. Some of us may have had family members and friends who, perhaps for reasons outside of their control, haven't been the best examples of healthy financial management. This intergenerational cycle can make financial independence and social mobility difficult to achieve. But, by taking an interest in money management now and planning for the future, you'll be well on your way to financial freedom – ensuring you always stay ready. Let's get into it.

Money isn't everything

You may have heard the phrase, 'money makes the world go round'. Or, if your parents are anything like mine, 'money doesn't grow on trees'. It can often seem like everyone is always talking about money, but it's really important that before we dig any deeper into this chapter, I make it abundantly clear that money ***isn't*** everything. I can't deny that having the latest phone, new trainers or even the best 613 hair can make you feel on top of the world. But your mental health and overall wellbeing are worth more than anything money can buy. Let me be clear: the **amount of money you have doesn't define the type of person you are.** You may be in a position where there are economic differences between yourself and your friends. It could be that some of the tips that I provide may not be something you are able to try right now. That's perfectly fine.

Money doesn't make you – your personal worth is not tied up in how much money you or your family has, and you should never think you are better than someone else because you have more money than them.



'I let money serve its purpose. But I don't live to serve money.'
Oprah Winfrey [3]

Family advice

Personally, I've always had a good relationship with money. My mum made a conscious effort to show me her credit card statements, bills and payslips, taking time to explain to me what everything meant. She would even ask me to go into the bank on her behalf to pay utility bills. At the time, I didn't really understand the necessity or even the importance of what she was doing. But it meant that when I got my first job, I was able to easily **navigate** things such as taking out a mobile phone contract and setting up a direct debit, as well as putting aside some money to pay for nights out with my friends.

However, the fact that I was lucky enough to have a basic understanding of how things like cash and credit worked didn't stop me running up bills on my very first credit card. As my aunties would say, 'Those who cannot hear, must feel' – and I very quickly learned that having a big credit limit means nothing if you aren't able to pay back your minimum payment.

Now, this isn't an excuse to ask your family members how much money they have in the bank! But you can ask for real-life examples in order to supplement the knowledge you are gaining about financial literacy in *Grown*.

Often, money can be the biggest conversational taboo. People will tell you what they had for dinner last night, add you to their 'close friends' on Instagram and reveal their deepest and darkest secrets. But ask them how much money they have in the bank – or even the sacrifices they have made to buy the things they have – and they start stuttering. While for some people, money is no object – budget isn't even in their vocabulary.

Budget? I don't know her.

Mo' money mo' problems: A dictionary of terms

Being ***financially secure*** is more than having stacks of money in the bank. It's understanding how money works and putting steps in place for money to work for you. Nat's already talked about budgeting, and so I want to continue by breaking down some of the other financial terms you may have heard.

Quick terms to know

Credit limit: This is the maximum amount of money your bank will lend you to spend on an overdraft or credit card.

Credit rating/score: In simple terms, your credit score is a collection of data that tells potential lenders your financial history. It **predicts** your future spending habits based on the way you have behaved in the past. It includes information such as any money you may owe, previous credit products you have used or loans you have taken out, as well as any recent credit applications you may have made. It also records whether you pay on time.

This essentially allows lenders to decide whether they should take a financial risk on you. A good credit rating means you're more likely to be accepted for products such as phone contracts, loans or 'buy now, pay later' schemes. Poor credit can end up excluding you from these things or even penalising you – if companies see you as financially unreliable, they may increase the amount of interest they charge when lending you money, as there is a higher risk that you won't be in a position to pay them back.

Direct debit: An arrangement made with your bank to allow a third party, such as a mobile phone company, to transfer money from your account to pay your bills on an agreed date.

Financial Conduct Authority (FCA): The FCA regulates the financial services in the UK and aims to protect us, the consumers. Through their Financial Services Compensation Scheme, the FCA guarantees protection of money deposited with a bank, building society or credit union up to a limit of £85,000 – so you won't lose it even if the bank were to collapse.

Interest: As an incentive to 'hold' or look after the money in your current or savings account, the bank pays you an additional percentage of the total amount – this is called **interest.** In simple terms, the money you have saved earns its own money.

This also works the other way, as interest can also be charged to you. If you borrow money or use a 'buy now, pay later' scheme, you may be charged an additional percentage on top of the borrowed amount. It's essentially an extra fee charged to you for the privilege of being able to use money you would usually not have access to.

Minimum payment: This is the minimum amount you must pay towards an outstanding balance you owe. For example, on a credit card there will be a fixed minimum amount for you to repay each month.

Payslip: These are statements that show how much you have been paid over a set period of time. Your payslip will show your rate of pay, how much you've earned overall, your tax code and any deductions made for things like tax, your pension and paying off your student loan.

Tax: This is a compulsory charge that the government asks its citizens to pay in order to fund public services, such as schools, the NHS and local parks. Tax is collected when you have a job and you earn a salary.

> *'You wanna know how rich people like me stay rich? By staying on a budget.'*
> **Cardi B** [4]

What's in a word? Your financial cheat sheet

What follows are the key terms you need to know in relation to looking after your money, borrowing and saving. This list is just a start – if you come across any financial terms that you're unsure about or if you want to learn more, you can talk to someone at your bank or local Citizens Advice.

Current account

What is it? A personal account that you can put money into when you want to save, and take out whenever you need it. Think of it as a piggy bank with extra security.

Overdraft

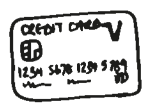
What is it? An overdraft is a form of borrowing from the bank. Essentially, you can 'overdraw' an amount of money that is more than the amount of cash in your account.

What do you need to know? There are two types of overdraft.

- **Arranged overdraft:** Where the bank permits you to spend more money than is currently in your account, by giving you an additional figure you can spend up to.

- **Unarranged overdraft:** Where you have spent more money than is in your current account without the bank's permission. This could be because you haven't agreed an overdraft limit or you have exceeded your existing overdraft limit.

Remember, overdrafts are a type of loan and should only be used if you can **guarantee** you can pay it back. Banks will always take any money in your account to cover your overdraft. That means if you are overdrawn, any money that comes into your account will cover your debts first.



Credit card

What is it? Effectively this little piece of plastic lets you spend money to your heart's content. **On credit.** It's a loan given to you by your card provider that allows you to spend up to a set limit, which you then must pay back within a set amount of time. The amount you are able to spend is dependent on whether your card provider believes you have the ability to pay it back on time.

What do you need to know? Credit isn't bad, as long as you know how to manage it. It's always in your best interest to pay off more than the minimum required payment each month, and, ideally, the full amount you owe if you can. Doing so ensures that you won't pay interest on what you've borrowed. Plus, credit cards are **safer than cash** – as you're protected for most purchases over £100 and up to £30,000, which means if something goes wrong, you can get your money back.

Remember: Section 75 of the Consumer Credit Act allows you to make a claim against your credit card company to get your money back.

Story time

I once flew all the way to Amsterdam to see Drake in concert, but as we were getting ready to go to the show we found out he was still in the USA with J Lo! (Allegedly.) That was it. The concert was cancelled with barely any notice. I was big mad. Not only had I spent the best part of the evening getting ready. Sending snaps. Letting people know I was in Amsterdam having the time of my life. I had spent a lot of money on the ticket. However, when I phoned the venue, they refused to refund me. I was vexed! I thought I had lost my money. Until I remembered I paid for the tickets with my credit card. I called my credit card company with the quickness and quoted Section 75 of the Consumer Credit Act, and every penny of the ticket cost was returned.

TIP

Setting up a direct debit for the minimum payment (so the money automatically leaves your current account) means you will never miss a credit card bill. Missed payments can negatively impact your credit rating and lead to extra charges.

Credit cards have some downsides too. The bottom line is, you need to make at least the minimum payment on your credit card each month. Even if you have an interest-free period. Making a cash withdrawal with your credit card is a no-no. It can negatively impact your credit rating because it suggests that you have **no money** in your current account. In addition to this, there are usually harsh financial penalties attached to withdrawing money from your credit card, such as a higher interest rate being charged.

Charge card

What is it? Charge cards are NOT to be confused with credit cards. Yes, you can use them to buy something now and pay for it later – but the big difference is that you have to pay it off in full every month.

What do you need to know? Often, charge cards have super high spending limits. Or, if you've got it like that, there may be no spending limit at all.

What do you need to watch out for? Unlike a credit card, you don't have the benefit of running up a big bill and paying it back at your convenience. Not repaying in full at the end of the month can leave you with big penalties, such as additional interest.

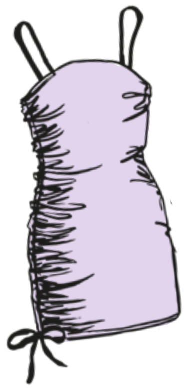
‘Buy now, pay later’

What is it? Pay later options effectively allow you to delay making immediate payment when you’re purchasing an item. Payments can be delayed from fourteen days later to twelve months or more, depending on the retailer. These schemes are often available when you’re buying things online like trainers and clothes, and even expensive items such as laptops and phones.

What do you need to know? Now, this option appears to come with a lot of perks – you can buy what you want without spending a penny. Who wouldn’t want to get the perfect outfit without having to break the bank? But remember, there are consequences – and you will have to pay back what you spent, if not more, at some point – often this can be as much 45 per cent more.

Example

To put this into perspective, let’s do some quick maths. Say you purchase a pair of Nike VaporMax 360s from a popular online fashion retailer on 1 January. They cost £180. You decide to use the ‘buy now, pay later’ scheme – allowing you to defer payments for 12 months with an interest rate of 45% per year. You wear your trainers for a few months, forget about them and throw them under the bed. The following January, it’s time to pay up. And you now owe that online retailer £261. Yes, you read that right. Two hundred and sixty-one English pounds! You end up paying nearly double for the privilege of using the service.



Now, there are benefits to using the ‘buy now, pay later’ system, and you can navigate it to ensure that you don’t pay much interest. Or even any at all. Every scheme is different, but, using my trainer story opposite, I’ve made a note of three scenarios below that you can use to ensure you don’t get finessed.

- Divide the amount owed by 12. You can then pay £15 a month – from the month the trainers are ordered. Ensuring that not only are they paid for in full during the year, but that you also avoid paying any interest.

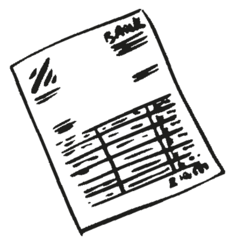
- You can pay for the trainers in full with one lump sum at any point during the twelve-month period. Again, avoiding paying any interest.

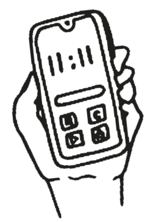
- You can pay a portion of the amount owed, let’s say £90, during the twelve-month period. You end up paying interest on whatever amount is left: in this case you would end up paying another £130 at the end of the twelve-month period, with £50 of that figure amounting to interest.

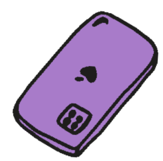
Mobile phone contract

What is it? A monthly fee, fixed for a set period of time and paid to a mobile phone network in exchange for a mobile phone and/or services such as minutes and data.

What do you need to know? If your contract includes a phone rather than just a sim card, technically you don’t own that phone until the contract is paid off. Contracts give you the opportunity to own an expensive handset without the upfront cost. However, phone contracts, like any other financial agreement, often benefit the provider more so than the customer. You will find that over the course of your contract you end up spending more than you would have done if you had bought the phone outright. But not everyone has £900+ spare to buy a phone!







Loan

What is it? A loan is an exchange of money with the promise that it will be paid back over an agreed time period.

What do you need to know? Similar to credit, the amount you can borrow in the form of a loan is dependent on what a bank thinks you will be able to pay back. Loans can be taken out for everything, from starting your own business to purchasing a home, this is called a mortgage). If you are taking a loan from a financial institution like a bank, they will often impose an amount of interest on the sum you request in order to make the loan beneficial for them.

Example

Think about it like this. You want to bake a cake for your best friend's birthday, but you don't have the ingredients. You ask your mum if she doesn't mind lending you what is required so you can bake the perfect cake. But there's a catch: not only do you have to give her back the ingredients you borrowed, but in addition to this, for the privilege of using them when you didn't have your own, you have to give her a slice of cake each week for the next four weeks.

Remember, the bank is not your friend and often loan agreements will not be in your favour. Also, you can't just give your bank manager cake like you would your mum!

Credit union

What is it? Credit unions are non-profit financial organisations set up by members with something in common, such as living in the same area or working in the same industry.

What do you need to know? Credit unions seek to create a mutually beneficial financial community that helps those who aren't in a position to access traditional bank products. Not only do they offer products such as savings accounts with preferential interest rates, they are often willing to offer shorter term loans suited to your particular needs.

However, Credit unions generally won't allow you to borrow money that you won't be in a position to pay back. In most cases, you will need to be a member first and there's often a requirement that you actually build up your savings with them first.

Compound interest

What is it? Compound interest is built up when you earn interest on the money you've saved, and also on the interest you earn from it. Compound interest occurs when, instead of withdrawing money from the account, you let it 'compound' by allowing it to grow.

What do you need to know? By not withdrawing the money, you are allowing all previously earned interest to remain in your account so the sum from which you calculate interest becomes larger over time. Basically, interest on interest.

The concept of compound interest is probably one of the most important financial lessons that I've learnt. Leaving your money to grow may seem like the most basic words of wisdom to impart to you, but I really wish someone had taken the time to break it all the way down with me. Seeing the figures in black and white may have helped influence the financial choices I made.

Example

Your parents give you £1,000 to deposit into an account as a reward for your GCSEs. Let's say you earn 3% interest on that money.

In year one, you would earn an additional £30.

In year two, you would continue to earn 3% on the amount in your account. As your current balance would be £1,030 after year one, the interest earnt in year two would amount to £30.90 – leaving you with a balance of £1,060.90.

So, in year three, you would have £1092.73.

But, what if you left that money untouched for years and years? Or what if, in addition to the initial £1,000, you contributed £100 religiously each and every month for twenty years without withdrawing a penny? Well, I'll tell you, honey. It's definitely a lot of money. £34,572.17 to be precise!

Individual Savings Account (ISA)

What is it? An ISA is a savings account that is exempt from tax and offers tax-free interest payments on the balance in your account.

What do you need to know? There are several different types of **ISAs:**

• **Cash ISA**: This is your bog-standard individual savings account and the most popular ISA on the market

• **Stocks and Shares ISA**: This type of ISA is for those who wish to invest and are able to save their money long term in high risk and volatile stocks.

• **Innovative Finance ISAs**: These types of ISAs are high risk as using one involves you lending your money in return for a high interest rate, but there is no guarantee that the borrower will be in a position to pay you back – this could lead to you losing your initial investment.

• **Help to buy ISAs**: These were designed to help first-time buyers get on the property ladder, with the government providing 25 per cent boost to whatever you have saved.

• **Lifetime ISA**: This gives you a government bonus of 25 per cent of the money you put in; however, the money can only be used for your first home, or accessed when you are due to retire.

• **Junior ISA**: This is a way for children to get in on the action and build up their savings – however, no one has access to that account until the account holder has turned eighteen.

Rotating savings

What is it? If you are familiar with the terms 'pardna', 'susu', 'box hand', 'ekub', 'njangi', 'tanda', 'meeting, 'hagbad' or ayuuto', then you already have an idea of what rotating savings are. Described as community cultural saving schemes, they are non-regulated methods of saving where a group of people deposit regular sums of money over a fixed time period to someone chosen as the 'banker' in order to receive their 'hand' or payment instalment.

During the 1950s and 1960s, West Indian immigrant families prolifically resorted to using the pardna – a popular method of saving back home – in order to combat exclusion from traditional loan and banking options. Known as 'redlining', they often faced difficulties when seeking loans, mortgages or credit services in order to set up home simply because of their race. So, they often worked together as a community to pool money for purchasing their own homes – ensuring that a large number of the Windrush generation were able to become homeowners, against all odds.

These schemes require a lot of trust and integrity of character – and that includes not only the banker, but also your fellow members, who must be committed to paying in even after they have the pleasure of receiving their hand.

Example

Ten 'partners' agree to pay £10 each week for 10 weeks. Each member contributes the same amount at each meeting, and at the end of each weekly period one member takes the whole sum. In this case, that would be £100. The 'rotation' comes about as they start the process again until all ten members have received £100. For the system to work, the number of partners must be the same as the number of weeks the scheme lasts.

Vex money

What is it? Now, vex money isn't something you will learn about in any formal financial literacy class. It's not even something a finance guru is likely to tell you about. But, if you don't take anything else on board in this chapter, please remember this: don't walk on road without your vex money.

You may have heard your mum or aunties discussing it – you know those big people conversations you shouldn't be listening to? But 'vex money' is a Jamaican term for the additional emergency funds you take out with you, usually on a date or when you're in an unfamiliar environment. The idea is that if the person you're with vexes you, or makes you feel uncomfortable in any way, then you have enough money to leave. **On your own terms.** Whether you use the money to pay for your travel home, or pay the cost of your meal. Vex money gives you options. It ensures you have the ability to make the right decision for you without having to make any compromises.

Keep your money safe

A final point that I want to discuss is bank fraud. This is not a joke. **Do not share** your PIN, passcode, password or access to your bank account with ANYONE. Not even to someone claiming to be from their bank or the police.

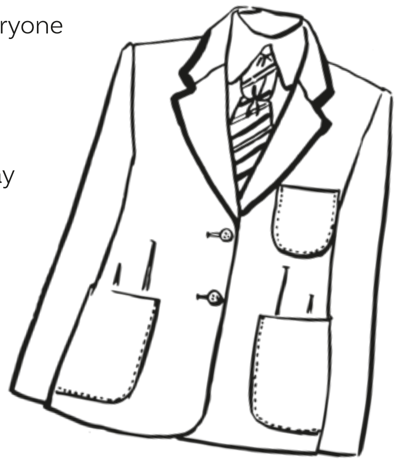
I remember in Year 7, our school invited bankers to come to the school and help us set up our first bank account. All of my friends got one and we IMMEDIATELY shared our PIN codes with one another. Well, I didn't, I gave a fake PIN because my mum had already explained financial security to me in our home tutoring (lol).

Now, I'm not mentioning no names, but three of the girls fell out. Really badly. To the point they were cussing each other. Physically fighting. Even exposing each other's business.

To make matters worse, one of the girls stole the other girl's bank card from her purse during PE. Now, we obviously didn't know this at the time, so we all helped our friend look, but it was GONE. So, what happened next? The teef actually used the card and drew out all of her money. But how did she do it? Remember when I said that everyone was sharing their PIN code like it was a packet of crisps at break? My girl memorised the PIN and went straight to her nearest ATM!

But don't worry, the story doesn't end there. She got caught on CCTV. The fool didn't realise that she had committed a criminal offence. She truly thought she was just getting her own back. The finesser got finessed.

Police were called. Conversations were had. Luckily for her, they didn't press charges. But she did have to wear a school uniform on non-uniform day and she was grounded for life. I'm not really sure what's worse! KIDDING! You can definitely get in a lot of trouble and she was just lucky that her parents were able to fix the situation. Not everyone would be so lucky.



But remember, not every situation may involve someone you actually know. There may even come a time where you are **approached** by someone who wants to use your bank details to 'hold' some money. They may even offer you a cut for your help. Easy money, right? No, sis. Bank fraud is a serious criminal offence that could damage your financial future. Mobile phone contract? Mortgage for your dream home? Loan for the fanciest car? Dream job? Those opportunities can **vanish** if you are convicted of fraud – not to mention the potential jail time.

Yes, it may seem tempting. Criminals know this – hence why they specifically target and groom young people and students, exploiting those who are on low incomes and may need the extra money. But, when you cannot confirm exactly where the money in your bank account comes from, you could 'unknowingly' be laundering the proceeds of a crime, whether that be money made from trafficking, drugs or terrorism. Now, is that worth risking a conviction, a ruined credit history and the ability to live your best life on your terms?

Handling your business

Let's keep it real: not all of you will be in a position at this point to follow these tips. Having savings is not only a privilege, it's a **luxury** that not everyone can afford. You cannot save or budget your way out of poverty. You can't manage your money if there is no money to manage. It's impossible. How do you budget when there's no money, honey?

There is such a pressure to have the latest trainers and phone that sometimes it can feel like 'drip or drown' isn't just a phrase – it's a consequence of not being able to engage in the same things as everyone around you. If we don't have the necessary cash to hand, many of us will use 'buy now, pay later' schemes to gives us what we want when we want. Often, utilising methods that require you pay back high amounts of interest seem ridiculous on paper. Who wants to pay £75 extra for an item just because they don't have the full amount spare? But with many people living from pay cheque to pay cheque, it really isn't realistic to think that there won't be times where you will need to **borrow money to** make a purchase.

Ultimately, many people **fear** loans and borrowing money, but it's not necessarily a bad thing if you have a real understanding of what you're signing up for. Learning financial terms and having a real understanding of how banking institutions work and what the different options and products available to you are, is a major key in becoming grown and handling your business. So, take everything you have learned with a pinch of salt, and adapt it for your own situation to **prepare yourself for the future.**

Save save save

Alexandra Sheppard,
author and social media strategist

If I could give my younger self any advice – as well as 'don't text that boy back' and 'give the red hair dye a miss' – it would be this: it's never too early to start saving. The longer you have to save, the easier it is to reach your savings goal.

Say you want to have £1000 saved by your 21st birthday. If you're fourteen, you would need to set aside £2.75 per week to reach that goal. If you're seventeen, you would need to save £4.80 every week. And if you start saving at the age of twenty? You'd need to sock away £19.23 every week.

They key is to set aside what you can afford and be consistent. After that, all you need to do is plan how you're going to spend that hard-saved cash.

'I've learned that, yes, wealth is a tool that gives you choices – but it can't compensate for a life not fully lived, and it certainly can't create a sense of peace within you.'
Oprah Winfrey [5]